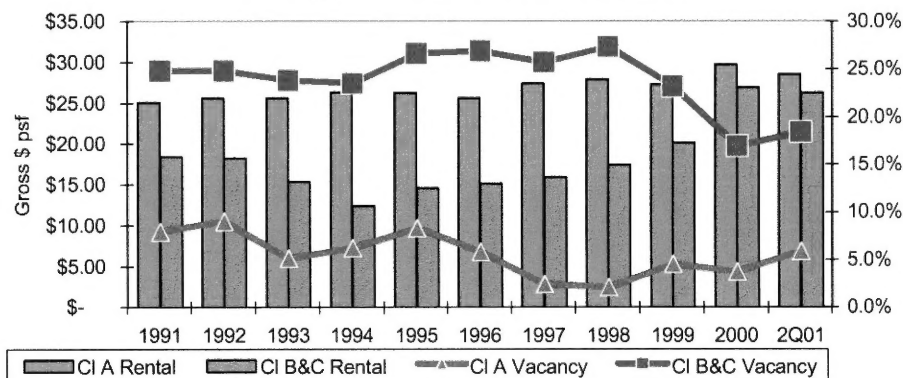


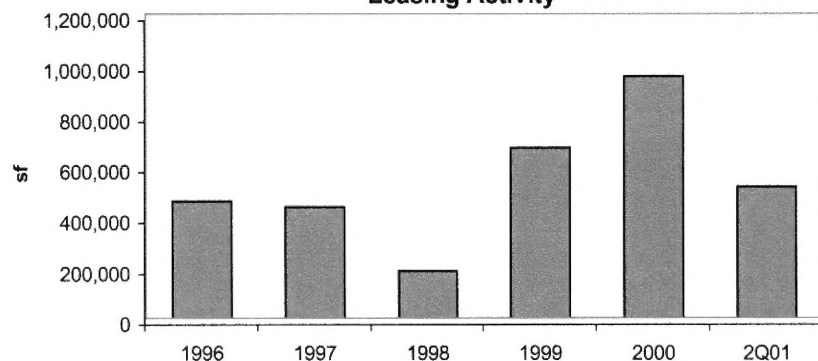
NEWARK

Mid-Year 2001 Office Market

Asking Rental Rates v. Vacancy Rates



Leasing Activity



With over 12,000,000 square feet of inventory, Newark is the largest office market in New Jersey. The city is known for: its cultural institutions, including the New Jersey Performing Arts Center; as an educational center, with urban campuses for N.J.I.T., Rutgers University and Essex County College; and, for its downtown office district. Newark is home to headquarters facilities for companies such as Prudential, NJ Transit, PSE&G, Horizon Blue Cross/Blue Shield and Continental Airlines. Its excellent transportation system includes the Newark International Airport; commuter, PATH and Amtrak trains which provide access to Manhattan; its port facilities and marine terminals and the major highways which skirt the city's downtown.

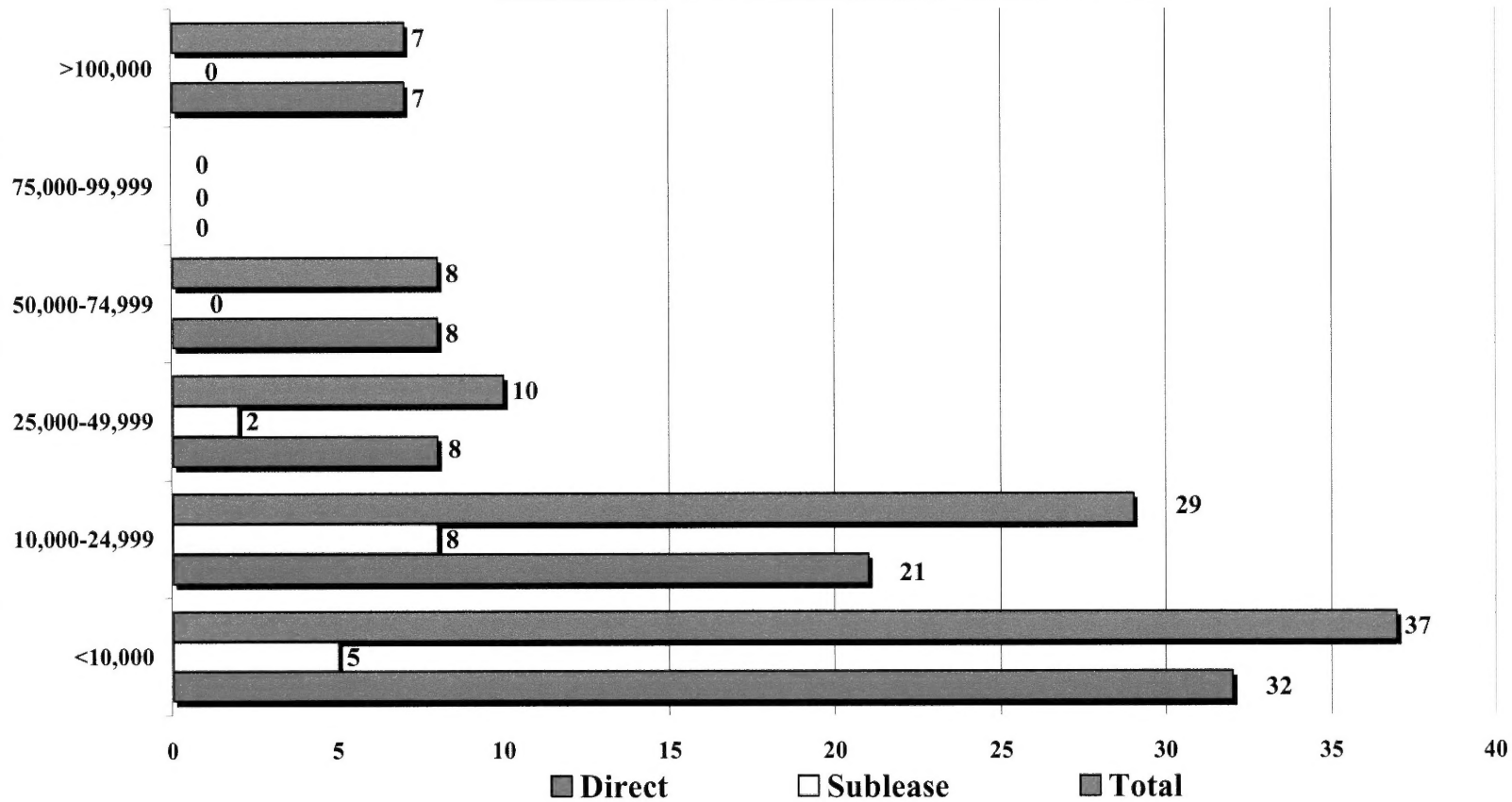
Claremont Newark LLC recently broke ground on a 12-story, 240,000-sf office building to serve as a regional headquarters for the FBI. The FBI will move from its current 160,000-sf space at Gateway 1 in downtown Newark. The large block of space that the FBI occupied here is expected to come on the market in the fall. MBNA Bank is also nearing completion of a 60,000-sf data center.

Vacancy rates remained stable at 12 percent over the past year. Class A space remains tight with a six percent vacancy rate as tenants continue to migrate the city's high-end properties. More than three-quarters of Newark's available office space is in older Class B and C buildings that offer fewer amenities. Vacancy rates in these buildings registered 18 percent. Several mid-sized leases were executed as Cablevision Systems Corporation took 59,943 sf at 765 Broad Street, Network Plus leased 56,600 sf at 1100 Raymond Boulevard for a data center and PSE&G signed on for 29,830 sf at 744 Broad Street.

There has been a recent wave of renovations and conversions, especially among downtown's historic buildings. The Military Park Building at 60 Park Place will get a five million-dollar makeover. Two office-to-residential conversions are slated for 2001: the 10-story 9-15 Clinton Street will be reshaped into 63 loft-style units, and the historic Raymond Commerce Building at 1180 Raymond Boulevard will become a residential facility.

<u>Market Statistics</u>	<u>Class A</u>	<u>Overall</u>	<u>LEASE TRANSACTIONS DURING 2001</u>			
			<u>Tenant</u>	<u>Address</u>	<u>City</u>	<u>SF Leased</u>
Number of Built Buildings	11	47	F.B.I.	Passaic Street	Newark	240,000
Inventory	6,160,230	12,608,136	Cablevision Systems Corp.	765 Broad Street	Newark	59,943
Overall Availabilities	363,763	1,478,407	Network Plus, Inc.	1100 Raymond Boulevard	Newark	56,600
Overall Vacancy Rate	5.9%	11.7%	PSE&G	744 Broad Street	Newark	29,830
Average Asking Rental Rate	\$28.51	\$26.27	Harvard NGT	165 Halsey Street	Newark	15,100
Leasing Activity	311,842	517,236	<u>LEASE TRANSACTIONS DURING 2000</u>			
Net Absorption	-21356	-91625	Mathew Bender	744 Broad Street	Newark	88,329
Under Construction	240,000	240,000	Journal of Commerce	33 Washington Street	Newark	42,956
YTD New Construction	0	0	University Health Plans	550 Broad Street	Newark	31,400

Newark Size Distribution of Available Space

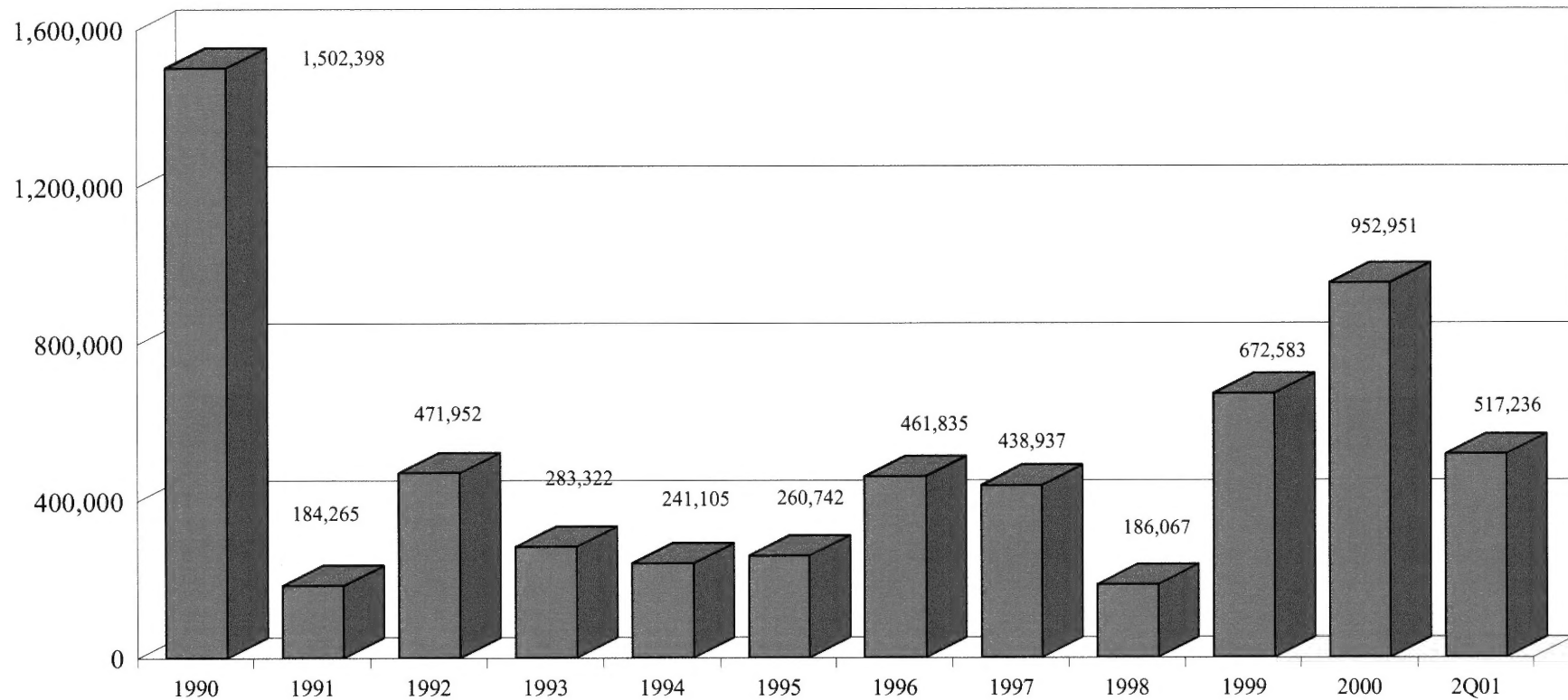


	<10,000	10,000-24,999	25,000-49,999	50,000-74,999	75,000-99,999	>100,000
Direct	32	21	8	8	0	7
Sublease	5	8	2	0	0	0
Total	37	29	10	8	0	7



NEWARK

Historical Gross Leasing Activity



	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2Q01
Leasing	1,502,398	184,265	471,952	283,322	241,105	260,742	461,835	438,937	186,067	672,583	952,951	517,236



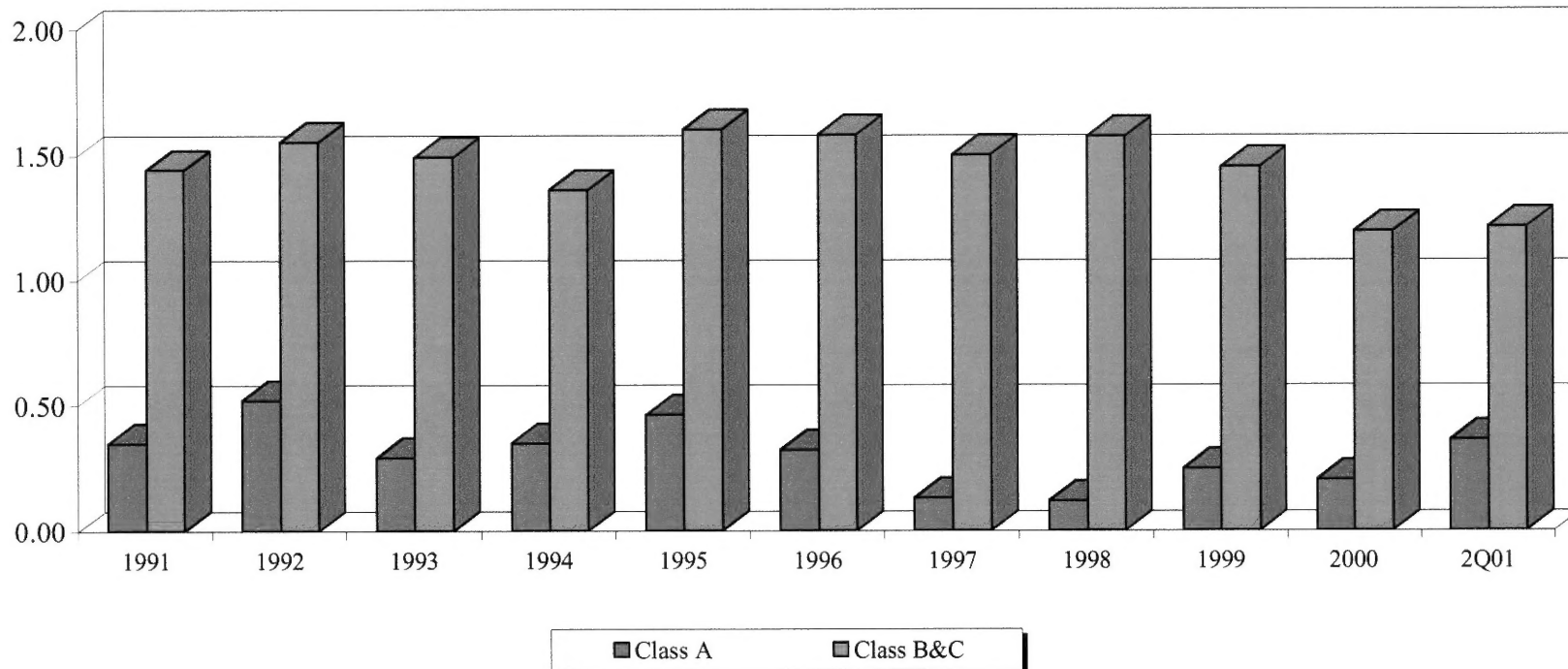
No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and the same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions, imposed by our principals.

New Jersey Research Services

NEWARK

Historical Available Square Feet

MSF



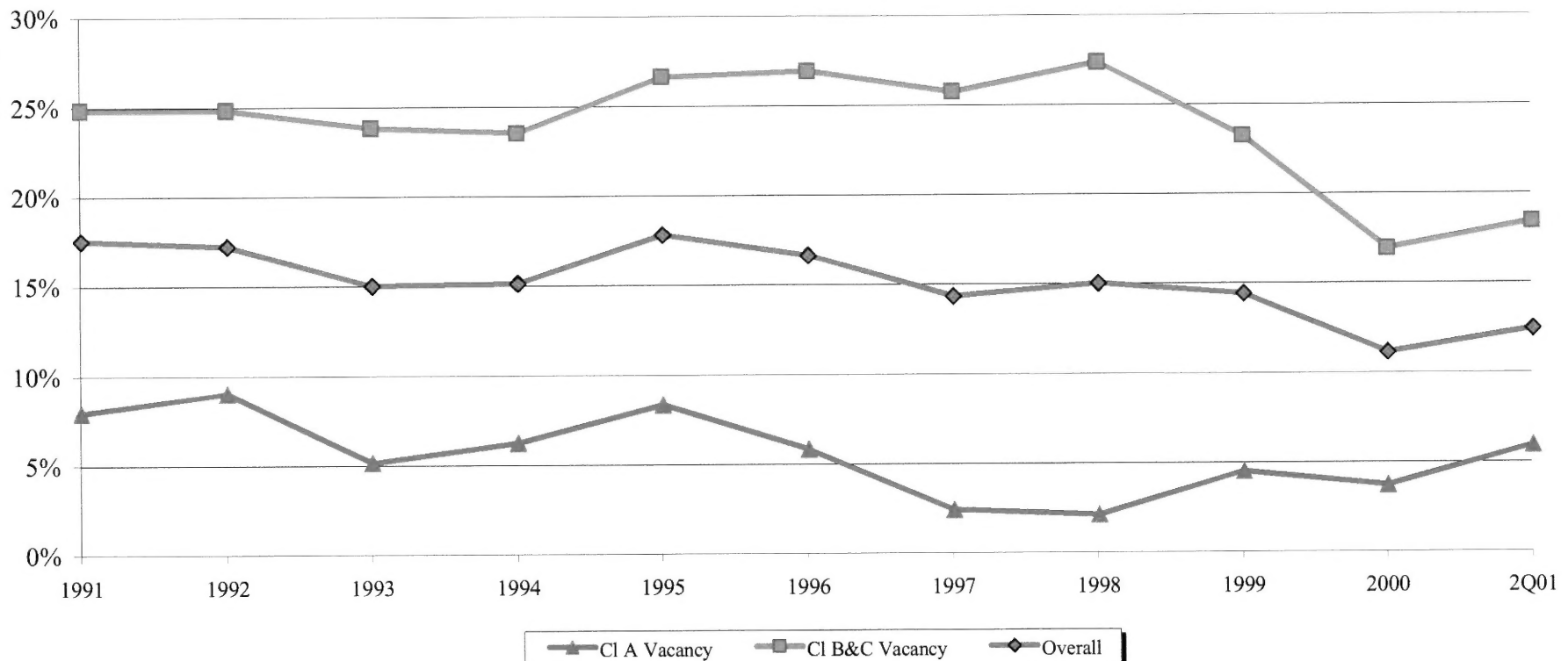
	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2Q01
Class A	0.35	0.52	0.29	0.35	0.46	0.32	0.13	0.12	0.25	0.20	0.36
Class B&C	1.44	1.55	1.49	1.36	1.60	1.58	1.50	1.57	1.45	1.19	1.21



No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and the same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions, imposed by our principals.

New Jersey Research Services

NEWARK Historical Vacancy Rates



	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2Q01
Cl A Vacancy	7.9%	9.0%	5.1%	6.2%	8.3%	5.8%	2.4%	2.1%	4.5%	3.7%	5.9%
Cl B&C Vacancy	24.8%	24.8%	23.8%	23.5%	26.6%	26.9%	25.7%	27.3%	23.2%	16.9%	18.4%
Overall	17.5%	17.2%	15.0%	15.1%	17.8%	16.6%	14.3%	15.0%	14.4%	11.1%	12.4%

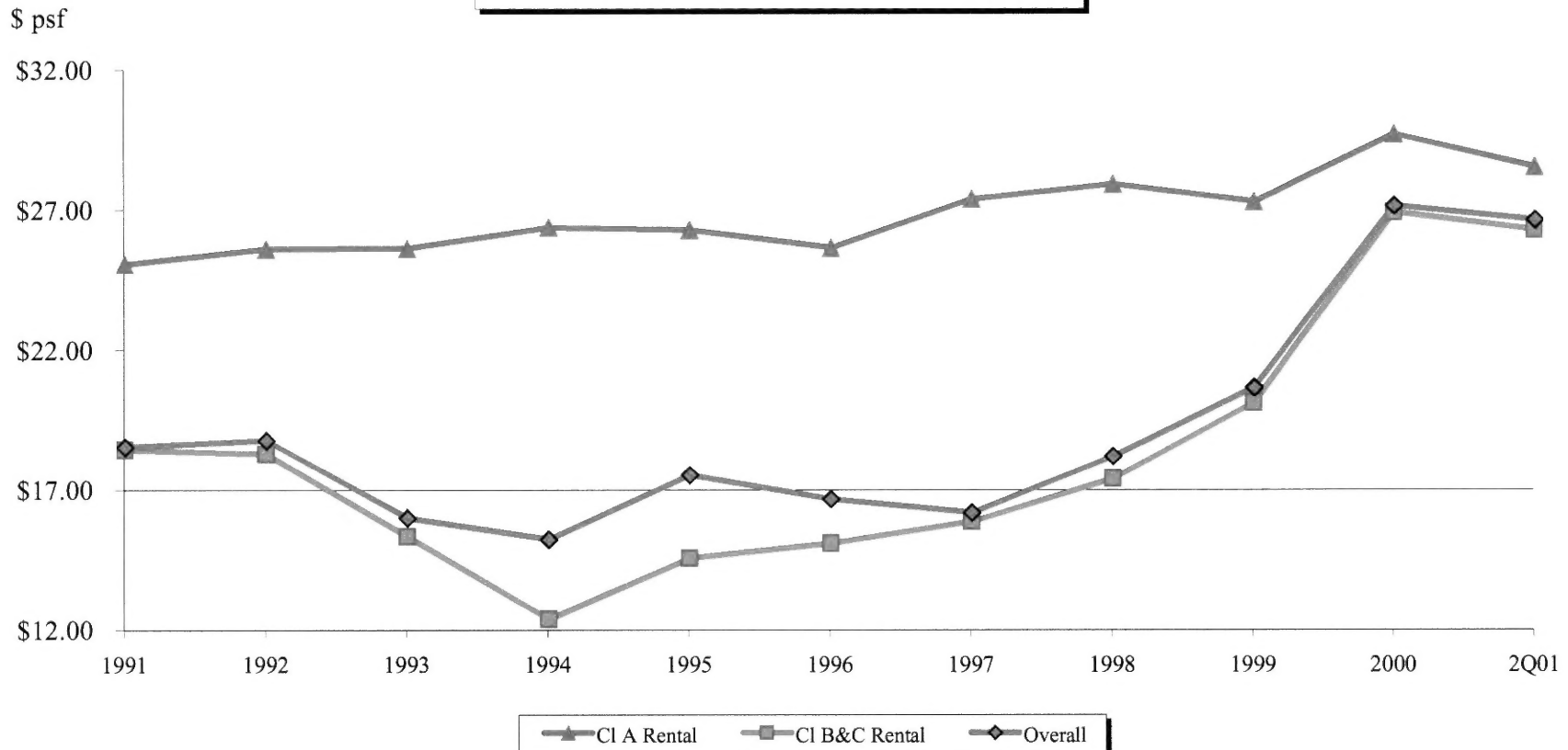


No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and the same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions, imposed by our principals.

New Jersey Research Services

NEWARK

Historical Gross Asking Rental Rates



	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
CI A Rental	\$ 25.06	\$ 25.59	\$ 25.61	\$ 26.37	\$ 26.27	\$ 25.63	\$ 27.38	\$ 27.91	\$ 27.28	\$ 29.69	\$ 28.51
CI B&C Rental	\$ 18.43	\$ 18.28	\$ 15.32	\$ 12.37	\$ 14.55	\$ 15.09	\$ 15.86	\$ 17.40	\$ 20.11	\$ 26.89	\$ 26.27
Overall	\$ 18.53	\$ 18.76	\$ 15.99	\$ 15.22	\$ 17.52	\$ 16.67	\$ 16.17	\$ 18.20	\$ 20.64	\$ 27.14	\$ 26.62



No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and the same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions, imposed by our principals.

New Jersey Research Services